



AGENDA ITEM: 5

DATE OF MEETING: October 22, 2015

ACTION: X

INFORMATION:

STATE BUDGET AND LEGISLATIVE UPDATE

SUMMARY

First 5 California (F5CA) staff will provide an update on the final outcome of F5CA Level 1 priority bills of interest for the 2015 legislative session.

LETTERS OF SUPPORT AND CLOSELY MONITORED LEGISLATION

F5CA took positions and submitted formal letters of support on 19 pieces of legislation, and closely monitored 27 bills in the 2015 regular session. Highlighted below are the final outcomes for three bills of high importance:

- **AB 47 (McCarty): State Preschool Program** – This bill would require, on or before June 30, 2018, all eligible children who are not enrolled in transitional kindergarten to have access to the state preschool program the year before they enter kindergarten, if their parents wish to enroll them, contingent upon the appropriation of sufficient funding in the annual Budget Act for this purpose.
Governor Action: The Governor vetoed AB 47 stating that last year's education omnibus trailer bill already codified the intent to make preschool and other full-day, full year early education and care opportunities available to all low-income children. The discussion on expanding state preschool, which takes into account rates paid to providers as well as access and availability for families, should be considered in the budget process, as it is every year. A bill that sets an arbitrary deadline, contingent on a sufficient appropriation, is unnecessary.
- **AB 74 (Calderon): Child Care Facilities: Regulatory Visits** – This bill would have required the California Department of Social Services to conduct annual unannounced licensing visits to all community care facilities.
Governor Action: The Governor vetoed AB 74 stating that the 2015–16 Budget Act increased the frequency of inspections of licensed child care facilities to once every three years. The cost of further increasing the frequency of inspections should be considered in the budget process.

- **AB 908 (Gomez): Disability Compensation: Disability Insurance** – This bill would increase the maximum duration of the Paid Family Leave (PFL) insurance benefits from 6 to 8 weeks, and would establish a minimum weekly benefit amount of \$50.
Status: 2 Year Bill

SECOND EXTRAORDINARY SESSION ON HEALTH CARE LEGISLATION

F5CA took positions and submitted formal letters of support on eight health care bills in the special session that addressed tobacco cessation and taxation. The special session on health care did not conclude with the end of regular session. Conference committees have been announced for both special session, and the committees may be called into action as early as this month.

PRIORITY BILLS OF INTEREST

During the 2015 legislative session, 38 F5CA priority bills of interest were identified. Attached is an Executive Summary and Detailed Report identifying the final legislative action on those bills.

STAFF RECOMMENDATION

Staff is not recommending any action at this time.

ATTACHMENT

Executive Summary and Detailed Report of 2015 Legislative Bills of Interest



**FIRST 5 CALIFORNIA
EXECUTIVE SUMMARY AND DETAILED REPORT OF
2015 LEGISLATIVE BILLS OF INTEREST**

FINAL OUTCOMES FOR LEVEL 1 REGULAR SESSION BILLS			
BILL # AUTHOR	SUBJECT	FIRST 5 POSITION	FINAL OUTCOME/STATUS
AB 47 (McCarty)	State Preschool Program	Support	VETOED
AB 50 (Mullin)	Medi-Cal: Evidence-Based Home Visiting Programs	Support	VETOED
AB 74 (Calderon)	Child Care Facilities: Regulatory Visits	Support	VETOED
AB 216 (Garcia)	Product Sales to Minors: Vapor Products	Support	CHAPTERED
AB 427 (Weber)	Early Primary Programs: Child Care Services: Eligibility: Military Families	Support	Failed Passage Senate Appropriations
AB 598 (Rendon)	Child Care: Family Child Care Home Education Networks	Support	2 Year Bill
AB 608 (Gordon)	CalFresh: School Meals	Support	Failed Passage Senate Appropriations
AB 713 (Weber)	Elementary Education: Kindergarten	Support	Failed Passage Senate Appropriations
AB 908 (Gomez)	Disability Compensation: Disability Insurance	Support	2 Year Bill
AB 765 (Ridley-Thomas)	Child Care and Development: Reimbursement Rates	Support	Failed Passage Assembly Appropriations Suspense File

FINAL OUTCOMES FOR LEVEL 1 REGULAR SESSION BILLS (Cont'd)

BILL # AUTHOR	SUBJECT	FIRST 5 POSITION	FINAL OUTCOME/STATUS
AB 1133 (Achadijian)	School-Based Early Mental Health Intervention and Prevention Services Support Program	None	Failed Passage Assembly Appropriations
AB 1161 (Olsen)	Preschool: Privately Funded Pilot Program: Tax Credits	None	Failed Passage Senate Appropriations
AB 1162 (Holden)	Medi-Cal: Tobacco Cessation	Support	VETOED
AB 1240 (Bonta)	Pupil Nutrition: Free or Reduced-Price Meals: Breakfast	Support	Failed Passage Assembly Appropriations
AB 1357 (Bloom)	Children and Family Health Promotion Program: Sweetened Beverage Tax	Support	2 Year Bill
AB 1396 (Bonta)	Public Health Finance	None	2 Year Bill
ACR 38 (Brown)	California Task Force on Family Caregiving	Support	CHAPTERED
ACR 77 (Stone)	California Early Intervention Services Act	Support	CHAPTERED
ACR 106 (Gonzalez)	Diaper Need Awareness Week	None	Assembly Rules for Assignment
SB 24 (Hill)	Electronic Cigarettes: Licensing and Restrictions	None	2 Year Bill
SB 140 (Leno)	Electronic Cigarettes	Support	Failed Passage Assembly Governmental Organization
SB 151 (Hernandez)	Tobacco Products: Minimum Legal Age	Support	2 Year Bill

FINAL OUTCOMES FOR LEVEL 1 REGULAR SESSION BILLS (Cont'd)

BILL # AUTHOR	SUBJECT	FIRST 5 POSITION	FINAL OUTCOME/STATUS
SB 203 (Monning)	Sugar-Sweetened Beverages: Safety Warnings	Support	2 Year Bill
SB 567 (Liu)	Child Care Programs: Continuity of Services	None	Failed Passage Senate Appropriations
SB 591 (Pan)	Cigarette and Tobacco Products Taxes: California Tobacco Tax Act of 2015	None	2 Year Bill
SB 670 (Jackson)	Income Taxes: Credit: Child Care	None	Failed Passage Assembly Appropriations Suspense File
SB 792 (Mendoza)	Day Care Facilities: Immunizations: Exemptions	Support	CHAPTERED

SECOND EXTRAORDINARY SESSION ON HEALTH CARE – LEVEL 1 BILLS

BILL # AUTHOR	SUBJECT	FIRST 5 POSITION	STATUS
ABX2 6 (Cooper)	Electronic Cigarettes	Support	Assembly Floor Third Reading
ABX2 8 (Wood)	Tobacco Products: Minimum Legal Age	Support	Assembly Floor Third Reading
ABX2 10 (Bloom)	Local Taxes: Authorization: Cigarettes and Tobacco Products	Support	Assembly Floor Third Reading
ABX2 11 (Nazarian)	Cigarette and Tobacco Product Licensing: Fees and Funding	Support	Assembly Floor Third Reading

SECOND EXTRAORDINARY SESSION ON HEALTH CARE – LEVEL 1 BILLS (Cont'd)

BILL # AUTHOR	SUBJECT	FIRST 5 POSITION	STATUS
ABX2 16 (Bonta)	Public Health: Cigarette and Tobacco Products: Electronic Cigarettes: Taxes: California Health Care, Research, and Prevention Tobacco Tax Act of 2015	None	Assembly Public Health and Developmental Services
SBX2 5 (Leno)	Electronic Cigarettes	Support	Assembly Desk for Assignment
SBX2 7 (Hernandez)	Tobacco Products: Minimum Legal Age	Support	Assembly Desk for Assignment
SBX2 9 (McGuire)	Local Taxes: Authorization: Cigarettes and Tobacco Products	Support	Assembly Desk for Assignment
SBX2 10 (Beall)	Cigarette and Tobacco Product Licensing: Fees and Funding	Support	Assembly Desk for Assignment
SBX2 13 (Pan)	Public Health: Cigarette and Tobacco Products: Electronic Cigarettes: Taxes: California Health Care, Research, and Prevention Tobacco Tax Act of 2015	None	Senate Public Health and Developmental Services
SBX2 14 (Hernandez)	Tobacco: Electronic Cigarettes: Taxes: Managed Care Organization Provider Tax: In-Home Support Services	None	Senate Floor Third Reading



LEGISLATIVE BILLS OF INTEREST

CHILD HEALTH

- AB 608** (Gordon) CalFresh: School Meals
Current Text: Introduced 2/24/2015
Level 1 **Final Outcome/Status:** FAILED PASSAGE (Senate Appropriations)
Support **Summary:** Current law requires a county welfare department to compile a list of emergency food providers and make that list available upon request. This bill would instead require a county human services agency to compile a list of emergency and supplemental food assistance providers. The bill would also require a county human services agency to inform households applying for CalFresh that if the household is certified for CalFresh, specified children in the household are income-eligible for the WIC Program and all children in the household are directly certified for the National School Lunch Program and School Breakfast Program without further application.
- AB 1240** (Bonta) Pupil Nutrition: Free or Reduced-Price Meals: Breakfast
Current Text: Amended 5/4/2015
Level 1 **Final Outcome/Status:** FAILED PASSAGE (Assembly Appropriations)
Support **Summary:** This bill would require each school district or county office of education maintaining any kindergarten or any of grades 1 to 12 to make a nutritionally adequate breakfast available for all of the pupils in a school, when at least 40 percent of the pupils enrolled are eligible for Free and Reduced Price Meals.
- AB 1357** (Bloom) Children and Family Health Promotion Program
Current Text: Amended 4/29/2015
Level 1 **Final Outcome/Status:** 2 YEAR BILL
Support **Summary:** This bill, subject to specified exemptions, would impose a fee on every distributor for the privilege of distributing in this state bottled sweetened beverages, and concentrate, either as concentrate or as sweetened beverages derived from that concentrate, at the rate of \$0.02 per fluid ounce. The Board of Equalization would be responsible for administering and collecting the fee and registering the distributors upon whom the fee is imposed. These amounts would be deposited into the Children and Family Health Promotion Trust Fund, created by the bill. The bill would require moneys in the fund, upon appropriation by the Legislature, to be allocated to the Department of Public Health, the Department of Health Care Services, the California Department of Education, and the Department of Food and Agriculture for various purposes of statewide diabetes and childhood obesity treatment and prevention activities and programs, including awarding competitive grants to local governments, nonprofit organizations, school districts, and other entities for activities in support of the bill's objectives.

- ACR 106 (Gonzalez) Diaper Need Awareness Week**
Current Text: Introduced 9/02/15
- Level 1**
Final Outcome/Status: Assembly Rules for Assignment
Summary: This measure would proclaim the week of September 28, 2015, to October 4, 2015, as Diaper Need Awareness Week and encourage California citizens to donate generously to organizations that distribute diapers to families in need.
- SB 203 (Monning) Sugar-Sweetened Beverages: Safety Warnings**
Current Text: Amended 4/6/2015
- Level 1**
Support
Final Outcome/Status: 2 YEAR BILL
Summary: This bill would establish the Sugar-Sweetened Beverages Safety Warning Act, which would prohibit a person from distributing, selling, or offering for sale a sugar-sweetened beverage in a sealed beverage container, or a multipack of sugar-sweetened beverages, in this state unless the beverage container or multipack bears a safety warning, as prescribed. The bill also would require every person who owns, leases, or otherwise legally controls the premises where a vending machine or beverage dispensing machine is located, or where a sugar-sweetened beverage is sold in an unsealed container to place a specified safety warning in certain locations, including on the exterior of any vending machine that includes a sugar-sweetened beverage for sale.
- SB 792 (Mendoza) Day Care Facilities: Immunizations: Exemptions**
Current Text: Enrolled 9/10/2015
- Level 1**
Support
Final Outcome/Status: **CHAPTERED**
Summary: This bill, commencing September 1, 2016, prohibits a person from being employed or volunteering at a day care center or a family day care home if he or she has not been immunized against influenza, pertussis, and measles. The bill specifies circumstances under which a person would be exempt from the immunization requirement, based on medical safety, current immunity, declining the influenza vaccination, or the date upon which he or she was hired, as specified. The bill requires any person hired as a teacher in a day care center to present evidence of a current tuberculosis clearance.

EARLY LEARNING AND CARE

- AB 47 (McCarty) State Preschool Program**
Current Text: Enrolled 9/23/15
- Level 1**
Support
Final Outcome/Status: **VETOED**
Summary: This bill would have required, on or before June 30, 2018, all eligible children who are not enrolled in transitional kindergarten to have access to the state preschool program the year before they enter kindergarten, if their parents wish to enroll them, contingent upon the appropriation of sufficient funding in the annual Budget Act for this purpose.
Veto Message: The Governor vetoed AB 47 stating that last year's education omnibus trailer bill already codified the intent to make preschool and other full-day, full year early education and care opportunities available to all low-

income children. The discussion on expanding state preschool, which takes into account rates paid to providers as well as access and availability for families, should be considered in the budget process, as it is every year. A bill that sets an arbitrary deadline, contingent on a sufficient appropriation, is unnecessary.

AB 74

(Calderon) Care Facilities: Regulatory Visits

Current Text: Enrolled 9/11/15

**Level 1
Support**

Final Outcome/Status: **VETOED**

Summary: This bill would have required the California Department of Social Services to conduct annual unannounced licensing visits to all community care facilities.

Veto Message: The Governor vetoed AB 74 stating that the 2015–16 Budget Act increased the frequency of inspections of licensed child care facilities to once every three years. The cost of further increasing the frequency of inspections should be considered in the budget process.

AB 427

(Weber) Early Primary Programs: Child Care Services: Eligibility: Military Families

Current Text: Amended 5/6/2015

**Level 1
Support**

Final Outcome/Status: FAILED PASSAGE (Senate Appropriations)

Summary: This bill would exclude from income the amount of the basic allowance for housing provided to an individual who is on federal active duty, state active duty, active duty for special work, or Active Guard and Reserve duty in the military that is equal to the lowest rate of the allowance for the military housing area in which the individual resides for purposes of determining eligibility for child care and development services.

AB 598

(Rendon) Child Care: Family Child Care Home Education Networks

Current Text: Introduced 2/24/2015

**Level 1
Support**

Final Outcome/Status: 2 YEAR BILL

Summary: Current law requires each family child care home education network to assess the educational quality of the program offered in each family child care home in the network. This bill would require that tools used to make these assessments be appropriate to family child care home settings.

AB 713

(Weber) Elementary Education: Kindergarten

Current Text: Amended 6/1/2015

**Level 1
Support**

Final Outcome/Status: FAILED PASSAGE (Senate Appropriations)

Summary: This bill, beginning with the 2017-18 school year, would require a child to have completed one year of kindergarten before he or she may be admitted to the first grade, thereby imposing a state-mandated local program. The bill also would specify that private school instruction at the elementary level includes kindergarten.

- AB 765** **(Ridley-Thomas) Child Care and Development: Reimbursement Rates**
Current Text: Amended 3/26/2015
- Level 1**
Support **Final Outcome/Status:** FAILED PASSAGE (Assembly Appropriations)
Summary: This bill would provide that the child care standard reimbursement rate is not intended to fund mandated costs imposed upon child development programs due to actions of law relating to minimum wage requirements, health insurance requirements, new or increased fees, new or expanded program requirements, or other cost increases due to legislative action. The bill would require the standard reimbursement rate to be raised as needed to provide a living wage, reasonable health insurance, and retirement benefits for employees, to support the recruitment and retention of skilled and trained teachers, to support the financial stability of programs and educational quality, and to achieve gender pay equity. The bill would define cost-of-living adjustment to be, among other things, at least equal to the amount of the inflation adjustments given to K-12 education programs.
- AB 1133** **(Achadjian) School-Based Early Mental Health Intervention and Prevention Services Support Program**
Level 1 **Current Text:** Amended 4/15/15
Final Outcome/Status: FAILED PASSAGE (Assembly Appropriations)
Summary: The School-Based Early Mental Health Intervention and Prevention Services for Children Act of 1991 authorizes the Director of Health Care Services, in consultation with the Superintendent of Public Instruction, to provide matching grant to local educational agencies to pay the state share of the costs of providing school-based early mental health intervention and prevention services to eligible pupils at school sites, subject to the availability of funding each year. This bill would expand the definition of an eligible pupil to include a pupil who attends a state preschool program at a publicly funded elementary school and a pupil who is in transitional kindergarten, thereby extending the application of the act to those persons.
- AB 1161** **(Olsen) Preschool: Privately Funded Pilot Program: Tax Credits**
Level 1 **Current Text:** Amended 7/2/2015
Final Outcome/Status: FAILED PASSAGE (Senate Appropriations)
Summary: This bill would, until January 1, 2021, authorize the California Department of Education (CDE), as part of a pilot program, to accept monetary contributions made to the California Preschool Investment Fund, which this bill would create, by a person for purposes of preschool education, as provided. The bill would require the money in the fund to be used to, among other things, fund state preschools part of the California state preschool program located in one of the 5 participating counties, as provided. The bill would require participating counties to report to CDE's Early Education and Support Division regarding the county's assessment of how the pilot program is performing. The bill would require any moneys remaining in the fund after January 1, 2021, to be transferred to any other state fund identified by CDE that provides funding for increased access to preschool programs for low-income children.

ACR 77 (Stone, Mark) **California Early Intervention Services Act**
Current Text: Chaptered 9/03/15
Level 1 **Final Outcome/Status:** **CHAPTERED**
Support **Summary:** This measure would recognize that every child who needs comprehensive health and early intervention services and supports in order to achieve his or her developmental potential should have those services easily accessible, sufficient, responsive, timely, and of high quality. The measure would further urge the Legislature to leverage existing efforts and statutes to ensure an accountable, results-oriented, and coordinated network of resources in order to provide multidisciplinary early identification and intervention services and supports to California infants and toddlers.

SB 567 (Liu) **Child Care Programs: Continuity of Services**
Current Text: Introduced 2/26/2015
Level 1 **Final Outcome/Status:** FAILED PASSAGE (Senate Appropriations)
Summary: Current law authorizes a family enrolled in state or federally funded child care and development program whose services would otherwise be terminated because the family no longer meets the program criteria to continue to receive child development services in another state or a federally funded child care and development program, as provided. This bill would require a child to be deemed eligible for the remainder of the program year subsequent to enrollment in a state or federally funded child care program.

REVENUE AND GOVERNANCE

AB 216 (Garcia) **Product Sales to Minors: Vapor Products**
Current Text: Enrolled 9/09/15
Level 1 **Final Outcome/Status:** **CHAPTERED**
Support **Summary:** Current law prohibits the sale of electronic cigarettes to people under 18 years of age, and defines "electronic cigarette" as a device that can provide an inhalable dose of nicotine by delivering a vaporized solution. This bill prohibits the sale of any device intended to deliver a non-nicotine product in a vapor state, to be directly inhaled by the user, to a person under 18 years of age, or to a person under 21 years of age if SB 151 of the 2015–16 Regular Session is enacted and takes effect. The bill exempts from its prohibition the sale of a drug or medical device that has been approved by the federal Food and Drug Administration.

AB 1162 (Holden) **Medi-Cal: Tobacco Cessation**
Current Text: Enrolled 9/15/15
Level 1 **Final Outcome/Status:** **VETOED**
Support **Summary:** This bill would have provided that tobacco cessation services are covered benefits under the Medi-Cal program.
Veto Message: The Governor vetoed AB 1162 stating that it unnecessarily codifies certain existing health care benefits or require the expansion or development of new benefits and procedures in the Medi-Cal program. The bill would require new spending at a time when there is considerable uncertainty

in the funding of this program. The Governor further stated he could not support this measure until the fiscal outlook for Medi-Cal is stabilized.

AB 1396

(Bonta) Public Health Finance

Current Text: Amended: 6/3/2015

Level 1

Final Outcome/Status: 2 YEAR BILL

Summary: This bill would require moneys collected and deposited in the California Tobacco Tax Act of 2015 Fund from an additional tax to be imposed on the distribution of cigarettes, a related floor stock tax, and a cigarette indicia adjustment tax to be transferred from that fund to the California Children and Families Trust Fund, which is a continuously appropriated fund, thereby making an appropriation, the Cigarette and Tobacco Products Surtax Fund, the Breast Cancer Fund, and the General Fund, as necessary to offset revenue decreases to those funds directly resulting from additional taxes to be imposed. The bill also would make funds of accounts in the California Tobacco Tax Act of 2015 Fund available to specified state entities upon appropriation by the Legislature to supplement tobacco prevention and control programs, to improve existing programs to provide quality and access to health care programs for families and children, and to supplement funding for the enforcement of laws that regulate the distribution and sale of cigarettes and other tobacco products. The bill would become operative only if SB 591 of the 2015-16 Regular Session is also enacted and takes effect on or before January 1, 2016.

ABX2 6

(Cooper) Electronic Cigarettes

Current Text: Amended 8/27/15

Level 1

Final Outcome/Status: Assembly Floor Third Reading

Support

Summary: This bill would define the term "smoking" for purposes of the Stop Tobacco Access to Kids Enforcement (STAKE) Act. The bill would also change the STAKE Act's definition of "tobacco products" to include electronic devices, such as electronic cigarettes, that deliver nicotine or other vaporized liquids, and make furnishing such a tobacco product to a minor a misdemeanor. The bill would include in the definition of tobacco products for the purposes of those provisions relating to licenses for retailers the STAKE Act's new definition of tobacco products. The bill would require a retailer that seeks to sell a tobacco product that is not subject to imposition of a tax under the Cigarette and Tobacco Products Tax Law to pay a one-time license fee to engage in the sale of that product. The bill would require all cartridges for electronic cigarettes and solutions for filling or refilling an electronic cigarette to be in childproof packaging. The bill would make these provisions operative on October 1, 2016. The bill also would make the use of electronic cigarettes in some restricted locations a violation punishable as an infraction.

ABX2 8

(Wood) Tobacco Products: Minimum Legal Age

Current Text: Amended 9/04/15

Level 1

Final Outcome/Status: Assembly Floor Third Reading

Support

Summary: The Stop Tobacco Access to Kids Enforcement (STAKE) Act, establishes various requirements for distributors and retailers relating to

tobacco sales to minors. Current law requires the Department of Public Health to conduct random, onsite sting inspections of tobacco product retailers with the assistance of persons under 18 years of age. This bill would extend the applicability of those provisions to persons under 21 years of age. The bill would authorize the Department of Public Health to conduct random, onsite sting inspections of tobacco product retailers with the assistance of persons under 21 years of age.

ABX2 10 (Bloom) Local Taxes: Authorization: Cigarette and Tobacco Products

Current Text: Introduced 7/16/15

Level 1 Final Outcome/Status: Assembly Floor Third Reading

Support

Summary: The Cigarette and Tobacco Products Tax Law imposes a tax on every distributor of cigarettes and tobacco products at specified rates. That law specifies that the taxes imposed by that law are in lieu of all other state, county, municipal, or district taxes on the privilege of distributing cigarettes or tobacco products. The California Constitution prohibits the Legislature from imposing taxes for local purposes, but allows the Legislature to authorize local governments to impose them. This bill would authorize the board of supervisors of a county or city and county to impose a tax on the privilege of distributing cigarettes and tobacco products in the county or city and county, including within an incorporated city within the county.

ABX2 11 (Nazarian) Cigarette and Tobacco Product Licensing: Fees and Funding

Current Text: Introduced 7/16/15

Level 1 Final Outcome/Status: Assembly Floor Third Reading

Support

Summary: The Cigarette and Tobacco Products Licensing Act of 2003 requires the Board of Equalization (BOE) to administer a statewide program to license manufacturers, importers, distributors, wholesalers, and retailers of cigarettes and tobacco products. That act requires retailers of cigarettes and tobacco products to obtain a separate license for each retail location, to be issued by the BOE upon receipt of a completed application and payment of a one-time fee, unless specified conditions apply. This bill would require a fee of \$265 to be submitted with each license application, as described above. The bill would require, for calendar years beginning on and after January 1, 2016, every retailer to file an application for renewal of a retailer's license accompanied with a fee of \$265 per retail location, in the form and manner prescribed by the BOE. The Cigarette and Tobacco Products Licensing Act of 2003 requires every wholesaler and distributor who commences business selling or distributing cigarettes or tobacco products, or who commences doing so at a new or different place of business in the state, to apply for a license accompanied by a required fee of \$1,000 for each location. The act also requires wholesalers and distributors to file an application for a renewal of license accompanied by a required fee of \$1,000 for each location where cigarettes and tobacco products are sold. The bill would raise the fees described above to \$1,200. The bill would require the BOE to report to the Legislature no later than January 1, 2019 regarding the adequacy of funding for the Cigarette and Tobacco Products Licensing Act of 2003.

ABX2 16 **(Bonta) Public Health: Cigarette and Tobacco Products: Electronic Cigarettes: Taxes: California Health Care, Research, and Prevention Tobacco Tax Act of 2015**
Level 1 **Current Text:** Introduced 8/26/15
Final Outcome/Status: Assembly Public Health and Developmental Services
Summary: This bill would expand the definition of tobacco products for purposes of that act to include electronic cigarettes thereby subjecting manufacturers, importers, distributors, wholesalers, and retailers of electronic cigarettes to the same licensing requirements imposed on tobacco products. The bill would impose an additional tax on the distribution of cigarettes at the rate of \$2 per pack of cigarettes. The bill additionally would impose a tax on the distribution of electronic cigarettes based on the wholesale cost, at a rate determined annually that is equivalent to the cigarette tax rate, which would be \$2.87 per package of 20 cigarettes. This bill would expand the definition of "tobacco products" for purposes of the Cigarette and Tobacco Products Tax Law to include electronic cigarettes, thereby subjecting distributors, wholesalers, and transporters of electronic cigarettes to, among other things, the same licensing, bonding, and registration requirements imposed on distributors, wholesalers, and transporters of tobacco products. The bill would provide that the revenues collected from the taxes imposed on cigarettes and electronic cigarettes by this bill, less refunds, would not be considered General Fund revenues and would be deposited in the California Health Care, Research, and Prevention Tobacco Tax Act of 2015 Fund created by this bill. The bill would require moneys in the California Health Care, Research, and Prevention Tobacco Tax Act of 2015 Fund to be continuously appropriated without regard to fiscal year to the Controller, to be used to fund health care and prevention programs.

SB 24 **(Hill) Electronic Cigarettes: Licensing and Restrictions**
Current Text: Amended 6/1/2015
Level 1 **Final Outcome/Status:** 2 YEAR BILL
Summary: This bill would extend the requirements of the STAKE Act to the sale of electronic cigarettes to persons under 18 years of age. The bill would extend the requirements of the STAKE Act to the sale of electronic cigarettes to persons under 21 years of age if SB 151 of the 2015-16 Regular Session is enacted and takes effect. The bill would require the Department of Public Health to enforce the STAKE Act's provisions with regard to sales of electronic cigarettes commencing July 1, 2016. The bill would require cartridges for electronic cigarettes and solutions for filling electronic cigarettes be in child-proof packaging to protect children from opening and ingesting the contents. The bill would require the Board of Equalization (BOE) to administer a statewide program to license retailers of electronic cigarettes. The bill would require retailers to apply for a license to sell electronic cigarettes and pay a specified license fee, commencing July 1, 2016, and to display the license at each retail location commencing September 30, 2016. The bill would require BOE to administer a statewide program to license retailers of electronic cigarettes, and use the revenue from this license fee only for purposes of administering the licensure program for retailers selling electronic cigarettes. The bill would prohibit the

use of electronic cigarettes in a variety of specified areas where the smoking of cigarettes and other tobacco products is prohibited.

SB 140

(Leno) Electronic Cigarettes

Current Text: Amended 6/1/2015

Level 1

Support

Final Outcome/Status: FAILED PASSAGE (Assembly Governmental Organization)

Summary: This bill would define the term "smoking" for purposes of the Stop Tobacco Access to Kids Enforcement (STAKE) Act. The bill also would change the STAKE Act's definition of tobacco products to include electronic devices, such as electronic cigarettes, that deliver nicotine or other vaporized liquids, and make furnishing such a tobacco product to a minor a misdemeanor. The bill would change that act's definition of tobacco products to reflect the STAKE Act's new definition of tobacco products. The bill would change the location restrictions for smoking cigarettes and other tobacco products to reflect the STAKE Act's definitions of smoking and tobacco products. The bill would make the use of electronic cigarettes in restricted locations a violation punishable as an infraction. The bill would declare that its provisions do not affect any current law or regulation that prohibits the smoking of medical marijuana in any place where smoking is prohibited by law.

SB 151

(Hernandez) Tobacco Products: Minimum Legal Age

Current Text: Introduced 1/29/2015

Level 1

Support

Final Outcome/Status: 2 YEAR BILL

Summary: The Stop Tobacco Access to Kids Enforcement (STAKE) Act, establishes various requirements for distributors and retailers relating to tobacco sales to minors. Current law requires the Department of Public Health to conduct random, onsite sting inspections of tobacco product retailers with the assistance of persons under 18 years of age. This bill would extend the applicability of those provisions to persons under 21 years of age. The bill would authorize the Department of Public Health to conduct random, onsite string inspections of tobacco product retailers with the assistance of persons under 21 years of age.

SB 591

(Pan) Cigarette and Tobacco Products Taxes: California Tobacco Tax Act of 2015

Current Text: Amended 6/2/2015

Level 1

Final Outcome/Status: 2 YEAR BILL

Summary: This bill would impose an additional tax on the distribution of cigarettes at the rate of \$0.10 for each cigarette distributed, which would be \$2.00 per pack. The bill would provide that the revenues collected from the additional tax be deposited in the California Tobacco Tax Act of 2015 Fund created by this bill, which would be a continuously appropriated fund, and transferred into the Tobacco Prevention and Education Account, the Tobacco Disease Related Health Care Account, and the Tobacco Law Enforcement Account to be expended for tobacco prevention and education, improve existing programs to provide quality and access to health care programs for families and children, supplement funding for the

enforcement of laws that regulate the distribution and sale of cigarettes and other tobacco products, and other specified purposes. The bill would require moneys in the California Tobacco Tax Act of 2015 Fund to be transferred from the fund to the California Children and Families First Trust Fund, which is a continuously appropriated fund, the Cigarette and Tobacco Products Surtax Fund, the Breast Cancer Fund, and the General Fund, as necessary to offset revenue decreases to those funds directly resulting from imposition of additional taxes by these provisions.

SBX2 5

(Leno) Electronic Cigarettes

Current Text: Amended 8/26/15

Level 1

Final Outcome/Status: Assembly Desk for Assignment

Support

Summary: This bill would define the term "smoking" for purposes of the Stop Tobacco Access to Kids Enforcement (STAKE) Act. The bill would also change the STAKE Act's definition of "tobacco products" to include electronic devices, such as electronic cigarettes, that deliver nicotine or other vaporized liquids, and make furnishing such a tobacco product to a minor a misdemeanor. The bill would include in the definition of tobacco products for the purposes of those provisions relating to licenses for retailers the STAKE Act's new definition of tobacco products. The bill would require a retailer that seeks to sell a tobacco product that is not subject to imposition of a tax under the Cigarette and Tobacco Products Tax Law to pay a one-time license fee to engage in the sale of that product, as specified. The bill would require all cartridges for electronic cigarettes and solutions for filling or refilling an electronic cigarette to be in childproof packaging, as prescribed. The bill would make these provisions operative on October 1, 2016. The bill also would make the use of electronic cigarettes in some restricted locations, as specified, a violation punishable as an infraction.

SBX2 7

(Hernandez) Tobacco Products: Minimum Legal Age

Current Text: 7/16/15

Level 1

Final Outcome/Status: Assembly Desk for Assignment

Support

Summary: The Stop Tobacco Access to Kids Enforcement (STAKE) Act establishes various requirements for distributors and retailers relating to tobacco sales to minors. Current law requires the Department of Public Health to conduct random, onsite sting inspections of tobacco product retailers with the assistance of persons under 18 years of age. This bill would extend the applicability of those provisions to persons under 21 years of age. The bill would authorize the Department of Public Health to conduct random, onsite string inspections of tobacco product retailers with the assistance of persons under 21 years of age.

SBX2 9

(McGuire) Local Taxes: Authorization: Cigarettes and Tobacco Products

Current Text: Introduced 7/16/15

Level 1

Final Outcome/Status: Assembly Desk for Assignment

Support

Summary: The Cigarette and Tobacco Products Tax Law imposes a tax on every distributor of cigarettes and tobacco products at specified rates. That law specifies that the taxes imposed by that law are in lieu of all other state, county, municipal, or district taxes on the privilege of distributing cigarettes or

tobacco products. The California Constitution prohibits the Legislature from imposing taxes for local purposes, but allows the Legislature to authorize local governments to impose them. This bill would authorize the board of supervisors of a county or city and county to impose a tax on the privilege of distributing cigarettes and tobacco products in the county or city and county, including within an incorporated city within the county.

SBX2 10 (Beall) Cigarette and Tobacco Product Licensing: Fees and Funding

Current Text: Introduced 7/16/15

Level 1 Final Outcome/Status: Assembly Desk for Assignment

Support

Summary: The Cigarette and Tobacco Products Licensing Act of 2003 requires the Board of Equalization (BOE) to administer a statewide program to license manufacturers, importers, distributors, wholesalers, and retailers of cigarettes and tobacco products. That act requires retailers of cigarettes and tobacco products to obtain a separate license for each retail location, to be issued by the BOE upon receipt of a completed application and payment of a one-time fee, unless specified conditions apply. This bill would require a fee of \$265 to be submitted with each license application, as described above. The bill would require, for calendar years beginning on and after January 1, 2016, every retailer to file an application for renewal of a retailer's license accompanied with a fee of \$265 per retail location, in the form and manner prescribed by the BOE. The Cigarette and Tobacco Products Licensing Act of 2003 requires every wholesaler and distributor who commences business selling or distributing cigarettes or tobacco products, or who commences doing so at a new or different place of business in the state, to apply for a license accompanied by a required fee of \$1,000 for each location. The act also requires wholesalers and distributors to file an application for a renewal of license accompanied by a required fee of \$1,000 for each location where cigarettes and tobacco products are sold. The bill would raise the fees described above to \$1,200. The bill would require the BOE to report to the Legislature no later than January 1, 2019 regarding the adequacy of funding for the Cigarette and Tobacco Products Licensing Act of 2003.

SBX2 13 (Pan) Public Health: Cigarette and Tobacco Products: Electronic Cigarettes: Taxes: California Health Care, Research, and Prevention Tobacco Tax Act of 2015

Level 1

Current Text: Introduced 8/26/15

Final Outcome/Status: Senate Public Health and Developmental Services

Summary: This bill would expand the definition of tobacco products for purposes of that act to include electronic cigarettes thereby subjecting manufacturers, importers, distributors, wholesalers, and retailers of electronic cigarettes to the same licensing requirements imposed on tobacco products. The bill would impose an additional tax on the distribution of cigarettes at the rate of \$2 per pack of cigarettes. The bill additionally would impose a tax on the distribution of electronic cigarettes based on the wholesale cost, at a rate determined annually that is equivalent to the cigarette tax rate, which would be \$2.87 per package of 20 cigarettes. This bill would expand the definition of "tobacco products" for purposes of the Cigarette and Tobacco Products Tax Law to include electronic cigarettes, thereby subjecting distributors,

wholesalers, and transporters of electronic cigarettes to, among other things, the same licensing, bonding, and registration requirements imposed on distributors, wholesalers, and transporters of tobacco products. The bill would provide that the revenues collected from the taxes imposed on cigarettes and electronic cigarettes by this bill, less refunds, would not be considered General Fund revenues and would be deposited in the California Health Care, Research, and Prevention Tobacco Tax Act of 2015 Fund created by this bill. The bill would require moneys in the California Health Care, Research, and Prevention Tobacco Tax Act of 2015 Fund to be continuously appropriated without regard to fiscal year to the Controller, to be used to fund health care and prevention programs.

SBX2 14 (Hernandez) Tobacco: Electronic Cigarettes: Taxes: Managed Care Organization Provider Tax: In-Home Support Services

Level 1 Current Text: 9/09/15

Final Outcome/Status: Senate Floor Third Reading

Summary: This bill would impose an additional tax on the distribution of cigarettes at the rate of \$2 per package of cigarettes. The bill would additionally impose a tax on the distribution of electronic cigarettes based on the wholesale cost, at a rate determined annually that is equivalent to the cigarette tax rate, which would be \$2.87 per package of 20 cigarettes. The bill would expand the definition of "tobacco products" for purposes of the Cigarette and Tobacco Products Tax Law to include electronic cigarettes, thereby subjecting distributors, wholesalers, and transporters of electronic cigarettes to the same licensing, bonding, and registration requirements. The bill would provide that revenues collected from the taxes imposed on cigarettes and electronic cigarettes would not be considered General Fund revenues and would be deposited in the California Health Care, Research, and Prevention Tobacco Tax Act of 2015 Fund created by this bill. The bill would continuously appropriate those amounts for allocation and be expended for specified purposes, which include: (1) offsetting any revenue decreases directly resulting from the additional taxes imposed by this bill to the Cigarette and Tobacco Products Surtax Fund, the Breast Cancer Fund, and the California Children and Families Trust Fund; (2) reimbursing the BOE and the State Auditor for administrative duties imposed by the bill; (3) providing funding to the University of California for the purpose of increasing the number of physicians trained in California; (4) funding state and local law enforcement efforts and investigative activities to reduce illegal sales of tobacco products; (5) providing funding to the Department of Health Care Services for existing health care programs and services and to draw down federal funding; (6) funding the California Department of Public Health Tobacco Control Program; and (7) supplementing the Cigarette and Tobacco Products Surtax Medical Research Program administered by the University of California. The bill also would establish a new managed care organization provider tax, to be administered by the Department of Health Care Services in consultation with the Department of Managed Health Care. The tax would be assessed by the department on licensed health care service plans and managed care plans contracted with the department to provide Medi-Cal services. The bill would establish the Health and Human Services Special Fund in the State Treasury,

into which all revenues, less refunds, would be deposited. The bill would require \$230,000,000 in the fund to be transferred to the Developmental Disabilities Fund, which the bill would create, to be used upon appropriation to increase funding provided to regional centers and increase rates paid to service providers for providing services to persons with disabilities. The remaining moneys in the fund would be continuously appropriated to the department for funding the nonfederal share of Medi-Cal managed care rates.

STRONG AND ENGAGED FAMILIES

AB 50 (Mullin) Medi-Cal: Evidence-Based Home Visiting Programs

Current Text: Enrolled 9/23/15

Level 1 Final Outcome/Status: VETOED

Support

Summary: This bill would have required the Department of Health Care Services (DHCS), in consultation with specified stakeholders, to develop a feasibility plan on or before January 1, 2017, that describes the costs, benefits, and any potential barriers related to offering evidence-based home visiting programs to Medi-Cal eligible pregnant and parenting women. The bill also would have required the DHCS, in developing the plan, to consider, among other things, establishing Medi-Cal coverage for evidence-based home visiting program services and incentives for Medi-Cal providers to offer those services, and would have required the DHCS, in developing the plan, to prioritize the identification of funding sources, other than General Fund moneys, to fund evidence-based home visiting program services.

Veto Message: The Governor vetoed AB 50 stating that it unnecessarily codifies certain existing health care benefits or require the expansion or development of new benefits and procedures in the Medi-Cal program. The bill would require new spending at a time when there is considerable uncertainty in the funding of this program. The Governor further stated he could not support this measure until the fiscal outlook for Medi-Cal is stabilized.

AB 908 (Gomez) Disability Compensation: Disability Insurance

Current Text: Amended 9/04/15

Level 1 Final Outcome/Status: 2 YEAR BILL

Support

Summary: This bill would increase the maximum duration of the Paid Family Leave insurance benefits from 6 to 8 weeks, and would establish a minimum weekly benefit amount of \$50.

ACR 38 (Brown) California Task Force on Family Caregiving

Current Text: Chaptered 9/25/15

Level 1 Final Outcome/Status: CHAPTERED

Support

Summary: This measure would establish the California Task Force on Family Caregiving, to meet monthly to examine issues relative to the challenges faced by family caregivers and opportunities to improve caregiver support, review the current network and the services and supports available to caregivers, and make policy recommendations to the Legislature. The task force would be required to submit an interim report to the Legislature no later than January 1, 2017, and a final report no later than July 1, 2018.

SB 670 (Jackson) Income Taxes: Credit: Child Care

Current Text: Amended 8/20/15

Level 1 Final Outcome/Status: FAILED PASSAGE (Assembly Appropriations)

Summary: This bill, for taxable years beginning on and after January 1, 2016, and before January 1, 2021, would allow a credit in the amount of 30% of the costs of startup expenses for child care programs, constructing a child care facility, providing child care information and referral services, and contributing to a qualified care plan, as defined. The bill would authorize, in the case where the credit allowed for the taxable year exceeds the “net tax” or “tax” the excess to be carried over to reduce the “net tax” or “tax” in the following year, and the succeeding 7 years if necessary. The bill would also require the Franchise Tax Board to report to the Legislature on the effectiveness of these credits.